

**Deferred Compensation Plan
Administration Agreement**

This Administration Agreement ("Agreement") is effective this _____ day of _____, by and between Nationwide Retirement Solutions, Inc., a wholly owned subsidiary of NFS Distributors, Inc., and an Ohio Corporation (hereinafter "Nationwide" or "Administrator"), and the City or County or any of its agencies, departments, subdivisions or instrumentalities of City of Lincoln, Nebraska hereinafter referred to as EMPLOYER.

WHEREAS, EMPLOYER, pursuant to and in compliance with Internal Revenue Code Section 457, has established a Deferred Compensation Plan, hereinafter referred to as PLAN, which permits EMPLOYER and its employees to enjoy the advantages derived from Section 457 of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the intent of the Program is to assist Employers and their employees in establishing an increased measure of financial security by providing for additional retirement income through the deferral of before-tax dollars and the reduction of current income tax liability thus offsetting the effects of inflation on their ultimate retirement benefits,

WHEREAS, EMPLOYER desires to utilize Nationwide in connection with the administration of the PLAN; and

WHEREAS, Nationwide desires to provide such services subject to the terms and conditions set forth herein:

Now therefore, EMPLOYER and Nationwide agree as follows:

1. SELECTION OF A DEFERRED COMPENSATION PROGRAM

The Plan makes available to the Employer a third party administrator and investment and insurance products which, as a result of a careful evaluation of administrative abilities and experience, and the combination of costs, benefits, and services, provide a quality deferred compensation program.

2. DESIGNATION AND REGULATORY CONSIDERATIONS

EMPLOYER designates Nationwide as Administrator for deferred compensation funds.

EMPLOYER has agreed to sponsor the Program and has selected and contracted with an independent plan administrator, Nationwide, eminently qualified to accept and fulfill the responsibility for all administrative requirements necessary for the successful operation of the Program. The Employer hereby accepts Nationwide to act as Program Administrator in fulfilling the administrative and marketing requirements of its Plan and the Program.

Nationwide has represented and warranted to EMPLOYER that the Program and the Plans adopted thereunder meet all necessary criteria for approval by all federal and state regulatory authorities governing such programs.

Employer has determined that it is an "eligible employer" as that term is defined in Section 457(e)(1)(A) of the IRC.

3. TERMINATION

A. EMPLOYER

Employer may terminate this Agreement upon 90 days' written notice to Nationwide without cause.

B. Nationwide

If the Employer fails to agree, whether by act or omission, to the terms and conditions for participation in the Program, Nationwide shall have the right to terminate this Agreement upon 90 days' written notice to the Employer; provided, however, the Employer may cure the default or omission within 90 days immediately following the date of said notice.

4. DEFAULT

In the event the Agreement is terminated for "Cause" (which shall mean the failure of either party to perform any or all of its obligations as defined herein); the non-defaulting party shall give the defaulting party written notice, specifying the particulars of the default. If such default is not cured within sixty (60) days from the date in which notice of default is given, the non-defaulting party may terminate the Agreement effective thirty (30) days after the end of the sixty (60) day period.

5. INVESTMENT OPTIONS

Nationwide agrees to accept deferred compensation plan funds for investment in the investment options as mutually agreeable to the parties.

EMPLOYER agrees to accept the terms and conditions of the insurance and investment company contracts as represented by Administrator pursuant to the operation of this Program.

EMPLOYER agrees to assist the Administrator, as necessary, in the development of comprehensive investment and service specifications.

- A. Participants will be permitted to change their investment options as often as they wish, however, they shall be subject to any applicable penalty or charge or restriction imposed for such change.

6. ESTABLISHMENT OF ACCOUNTS

A. ENROLLMENT SERVICES

Nationwide agrees to process, or arrange to have processed, the enrollment of eligible employees who elect to participate in the Plans. Nationwide agrees to provide informational and promotional material pursuant to the Plan for distribution to employees of EMPLOYER. EMPLOYER agrees to allow and facilitate the periodic distribution of

such material to employees and to disseminate promotional and communication materials as provided to it for employee distribution;

It is mutually understood and agreed that EMPLOYER has designated Nationwide to act as its Agent in fulfilling certain of the administrative and marketing requirements of this Agreement.

B. DEFERRALS

The minimum participant deferral per pay period shall be not less than \$10.00 or 1% (one-percent) of participant's salary.

C. EMPLOYER agrees to:

1. Provide Administrator its full cooperation and support in administering the necessary deferral system for employee contributions; and notify Nationwide in writing, within fourteen (14) business days of a Participant's separation from service, including retirement, with an Employer.
2. Name An EMPLOYER official or committee to act as Contract Administrator on behalf of the EMPLOYER on all material matters relating to activities of the Program.
3. Recognize that such tax-deferred savings benefits will act as incentives for employees to voluntarily set aside and invest portions of their current income to meet their future financial requirements and supplement their retirement income.
4. Recognize that through the adoption of the Administrator's Program, all such regulatory, operational, administrative and other Program management responsibilities are assumed by Administrator on behalf of the EMPLOYER, in accordance with the Plan document, and certain responsibilities have been and may be delegated by Employer to Nationwide as Administrator; and
5. Recognize the important contribution of the Administrator's technical expertise in the design, implementation and administration of a Program established and administered in compliance with all applicable regulatory jurisdictions.
6. Recognize the benefits of Administrator's establishment of a functional administrative system on behalf of EMPLOYERS to administer the Program.
7. Enact the necessary resolution/~~court order~~ to adopt the Administrator's Plan Agreement and to establish its Deferred Compensation Program for its employees.
8. Cause appropriate deductions to be made from such payroll(s) as may be applicable and send the funds representing the total participant deferrals to Nationwide.
9. Arrange for representatives of Nationwide to conduct enrollment meetings with the Employer's employees.

10. Accept the terms and conditions of the investment media and, if applicable, insurance contracts issued to the EMPLOYER pursuant to the Plan adopted by the Employer;
11. Use the Nationwide Plan document, promotional materials, and other forms provided to it as a participant under the Program in connection with the Nationwide Plan;
12. Select among the payout options available under the Program.
13. Notify Nationwide immediately as to any decrease in a participant's includible compensation or any increase in any pre-tax salary reduction.
14. Provide to Nationwide in such electronic or magnetic media designated by Nationwide, a deferral listing with respect to participant sub-accounts to include not less than the following:

Name of participant

Social security number of participant

Amount to be credited to participant's sub-account(s)

15. Funds may be sent by wire transfer, through an automated clearinghouse or by check in accordance with written instructions provided by Nationwide. Failure to follow the written instructions provided by Nationwide may result in delay of posting to Participant accounts.
16. Authorize Nationwide to act upon instruction given by Participants pursuant to their personal identification number (PIN), such PINs can be used to obtain certain services as designated by Nationwide.

D. Nationwide agrees to:

1. Establish a sub-account for each Participant.
2. Post and credit the amounts sent by EMPLOYER to the sub-account(s) of Participants in accordance with the latest written instructions on file with Nationwide.

7. PARTICIPANT SERVICES

Administrator agrees to:

- A. Establish the overall Program, its funding options and administrative operations so as to comply with other regulatory authorities, including state statutes, constitutional restrictions and other appropriate authorities.
- B. Provide Employer with a Deferred Compensation Plan Agreement and necessary agreements for execution with its participating employees, which is and will be maintained in compliance with the provisions of the IRC.

- C. Provide EMPLOYER with such technical assistance as is necessary to implement the Program in accordance with the needs and objectives of the EMPLOYER'S individual requirements.
- D. Provide an administrative support system to facilitate employee deferrals, reconciliations, disbursements to the investment media, maintenance of the individual and Employer account records, provide periodic statements and coordinate employee distributions, and assure proper tax reporting systems.
- E. Provide such accounting and internal controls systems as are necessary to provide Employer with those reports specified in this Agreement, to meet the Employer's individual financial reporting requirements.
- F. Provide an interactive voice response toll free telephone number which shall be operative 24 hours per day, 7 days per week (less normal maintenance time) for the IVR- need to define what IVR is-i.e. write out what IVR stands for, and for live Participant Service Representatives, Monday through Friday, 8 a.m. - 9 p.m. Eastern time, each business day. Using this number participants may obtain information about participant accounts. EMPLOYER authorizes Nationwide to honor instructions, which may be submitted by participants using this number, either via the interactive voice response system (IVR), or to a live representative. Participant instructions may be in such form and content as may be mutually agreed to by Nationwide and EMPLOYER.
- G. As payor, compute and deduct from any disbursements made by Nationwide under the Plan all appropriate federal and State income taxes required by law to be withheld from plan distributions and also furnish to all participants receiving payments or benefits from the Program, appropriate tax reporting forms.
- H. Provide deferral limit testing services to Employer subject to the following:
 - (1.) Nationwide shall accept or reject participant election forms;
 - (2.) Nationwide shall not be responsible for monitoring deferrals to section 403(b), 401(a), 414(h) plans or other plans referenced by IRC
 - (3.) Nationwide will not be responsible for monitoring interplan coordination should Employer offer more the one (1) section 457 plan.
- I. Provide Plan Participants unlimited opportunities to increase (within limitations of Sec. 457) or decrease deferral amounts. All requests to increase or decrease deferral amounts will be processed by Nationwide within five (5) business days of receipt of the request and will be effective as soon as administratively practical by EMPLOYER.
- J. Establish and maintain individual participant account records and calculate daily valuations of participant account. Such records shall contain the participant's social security number, the allocation of participant deferrals to the Program products available under the Plan, the participant's address, the participant's birth date, the participant's beneficiary designation, and any other data necessary for administration of the participant's account.

- K. Provide Plan Participants opportunities to redirect future deferral amounts to any other Investment Product offered by the Plan. All requests will be processed within five (5) business days of receipt and the deferral will be effective with the next following pay period.
- L. Provide Participants the daily ability to exchange existing account balances from one investment option offered by the Plan to another (except for the limitation described in Section 5A above). Exchange requests for mutual funds will be processed with the fund being "sold" by the date following the date Nationwide receives such instructions and will be effective in the new fund not later than the day following Nationwide's receipt of funds from the "sold" fund.
- M. Provide Participants, if they request, a fund prospectus and an annual report for each mutual fund offered by the Plan. Specific mutual fund prospectuses and other relevant information is to be provided by each respective mutual fund or other investment provider upon request by Nationwide or a participant.
- N. Provide Participants consolidated quarterly statements reflecting the Account balances as of each March 31, June 30, September 30, and December 31 ("Statement of Account"). The Statement of Account shall indicate the deferred amounts received and processed by Nationwide for each such participant, the account value of each investment by such participant, the total account value (including earnings or losses with respect thereto) of each such participant's account at the end of the period. An individual Statement of Account shall be mailed to each participant in a sealed envelope as promptly as possible but no later than thirty (30) days following the end of each calendar year quarterly period. Participants shall be informed that they must notify Nationwide within thirty (30) days of receipt of their statements or confirmation of their investments, to report any errors to Nationwide. Nationwide will not be liable for any errors not reported within this time frame.
- O. Provide the following reports to the Employer on a timely basis as follows:
 - (1.) Nationwide shall provide Employer, within thirty (30) days following the end of each calendar year quarterly period, with a calendar year quarterly Plan statement, produced as a by-product of the participant statements ("Entity Statement"), summarizing all participant activity that transpired during the reporting period: and
 - (2.) Quarterly summaries to Employer, within thirty (30) days after the end of each calendar year quarterly reporting period (March 31, June 30, September 30 and December 31), indicating the total deferred funds allocated to each investment or insurance option under the Plan ("Financial Activity Confirmation Statement"); and
 - (3.) Calendar year quarterly Surrender Audit Reports, to Employer within thirty (30) days following the end of each calendar year quarterly reporting period, showing by participant, Social Security number, the total amount surrendered by fund and the date of such surrenders. The type of withdrawal (for example, annuity purchase, payments due to

termination of employment, and unforeseeable emergency withdrawal), will be indicated by a two-digit reason code

- P. Maintain, for a reasonable time, the records necessary to produce the above mentioned reports, and agrees that all records shall be the property of EMPLOYER. EMPLOYER agrees that all related computer tapes, disks and programs shall remain the property of Nationwide.

8. DISTRIBUTIONS

- A. Nationwide will assist the Participant in preparing the necessary forms to select his/her distribution option.
- B. Participants electing a payment of a lump sum amount will receive distribution of their account within ten (10) business days of the earliest day permitted by the Plan. However, Nationwide shall initiate the processing of all approved emergency/hardship requests upon receipt.
- C. Nationwide will provide necessary forms and process payments from the Participant's account, to the company selected by the Plan to provide annuity options to Participants. Participant will be required to submit properly completed forms to Nationwide in a time frame necessary to effectuate the "payment begin date" requested by Participant.
- D. All payment options are available for all investment options. All distributions will be made pro-rata from each of the Participant's investment options.
- E. Nationwide will be responsible for preparing and filing all reports required by federal and state taxing authorities through the effective date of the Agreement's termination.

9. TERMINATION

Upon the effective date of termination of this Agreement, the following shall occur:

- A. Nationwide will no longer accept deferrals.
- B. Nationwide will provide EMPLOYER a copy of all records relating to Participant sub-accounts, in hard copy or such other form as mutually agreed upon between Nationwide and EMPLOYER, within one hundred twenty (120) days after the effective date of termination.
- C. Accounts in distribution will be transferred to EMPLOYER or its designee in accordance with the time frame described above.

10. CONFIDENTIALITY

Nationwide agrees that all information supplied to and all work processed or completed by Nationwide shall be kept confidential and will not be disclosed except as required by law.

11. PRIVACY OF CONTRACT

Nationwide and Plan Participants shall have no privity of contract with each other.

12. TITLE AND OWNERSHIP

In accordance with the provisions of Internal Revenue Code Section 457, all account(s) established under this Agreement shall be held in the name of EMPLOYER, or by a Trustee/Custodian with a multi-employer "omnibus account" for the benefit of participants, in accordance with the Plan.

13. CIRCUMSTANCES EXCUSING PERFORMANCE

- A. Neither party to the Contract shall be in default by reason of failure to perform in accordance with its terms, including but not limited to the administrative and marketing services set forth in this Agreement, if such failure arises out of causes beyond reasonable control and without fault or negligence on their part. Such causes may include, but are not limited to, acts of God or public enemy, acts of the government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine or restrictions, freight embargoes, and unusually severe weather. Neither party shall be responsible for performing all or that portion of services precluded by the foregoing events for such period of time as EMPLOYER or Administrator are precluded from performing such services in the normal course of business. Nationwide shall not be liable for lost profits, losses, damage or injury, including without limitation, special or consequential damages, resulting in whole or part from the foregoing events.

"Acts of God" are defined as acts, events, happenings or occurrences due exclusively to natural causes and inevitable accident or disaster, exclusive from all human intervention.

14. INDEMNIFICATION

Nationwide agrees to defend, indemnify, and hold harmless the EMPLOYER, its officials, employees, and agents from all loss, cost, and expense arising out of any loss or injury sustained by anyone in connection with Nationwide's acts, errors, or omissions, or any of those of its officers, agents, or employees, whether such act is authorized by this Agreement or not; and shall pay for any and all damages to EMPLOYER's property and funds of the EMPLOYER, or loss or theft of such property or funds. The Provisions of this Article do not apply to any damage or loss caused solely by the acts, errors, or omissions of the EMPLOYER, its officials, employees, or agents.

15. ATTORNEYS' FEES

Each party agrees that in the event of a claim, arbitration, or lawsuit filed by a party to this Agreement, each party shall be responsible for its own attorneys' fees and/or any costs or expenses related to the bringing or defense of any such claim, arbitration, or lawsuit.

16. CONTRACT TERM

This agreement is effective until terminated in accordance with Section 3 above.

17. ASSIGNABILITY

No party to this Agreement shall assign the same without the express written consent of the other party, which consent shall not to be unreasonably withheld. This provision shall not restrict Nationwide's right to delegate certain services to an agent, including any affiliate. Unless agreed to by the parties, no such assignment shall relieve any party to this Agreement of any duties or responsibilities herein.

18. PARTIES BOUND

This Agreement and the provisions thereof shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties.

19. APPLICABLE LAW

This Agreement shall be construed in accordance with the laws operating within the State of ~~Ohio~~ Nebraska.

20. UNLAWFUL PROVISIONS

In the event any provisions of this Agreement shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of the Agreement, but the same shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein. Notwithstanding anything contained herein to the contrary, no party to this Agreement will be required to perform or render any services hereunder, the performance or rendition of which would be in violation of any laws relating thereto.

21. MODIFICATION

This writing is intended both as the final expression of the Agreement between the parties and as a complete statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

22. NO WAIVER

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver of that provision or of any other provision in the Agreement and neither party may, at any time, enforce the provision previously waived, unless a modification to this Agreement has been executed.

23. SEVERABILITY

The provisions of this Agreement are severable, and, if for any reason a clause, sentence, paragraph, or other part of this Agreement shall be determined to be invalid by a court or federal or state EMPLOYER, board, or commission having jurisdiction over the subject

matter thereof, such invalidity shall not affect other provisions of this Agreement which can be given effect without the invalid provision.

24. NOTICES

All notices and demands to be given under this Agreement by one party to another shall be given by certified or United States mail, addressed to the party to be notified or upon whom a demand is being made, at the addresses set forth in this Agreement or such other place as either party may, from time to time, designate in writing to the other party. Notice shall be deemed received on the earlier of, 3 days from the date of mailing, or the day the notice is actually received by the party to whom the notice was sent.

If to Nationwide: Nationwide Retirement Solutions, Inc.
 Attention: Duane Meek, President
 5900 Parkwood Drive
 Dublin, Ohio 43016

If to EMPLOYER: City of Lincoln
 Attn: Personnel Director
 555 S. 10th Street
 Lincoln, NE 68508

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective on the date first written above.

EMPLOYER

By: _____

Date: _____

Nationwide Retirement Solutions, Inc.

By: Duane C Meek

Date: August 4, 2003

